

DISPATCH		CLASSIFICATION S E C R E T	DISPATCH SYMBOL AND NO. EGFA-26691
TO INFO	Chief, EE COS, Germany		HEADQUARTERS FILE NO. 32W-6-22/3
FROM	Chief of Base, Frankfurt		DATE JUN 9 1959
SUBJECT	CATARSI/CABATON Progress Report - 20 January through 31 May 1959		RE "43-3" - (CHECK "X" ONE) <input type="checkbox"/> MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED
ACTION REQUIRED	See paragraphs 2 and 5 below		INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
REFERENCE(S)	EGFA-25156 dated 3 February 1959		
<p>1. <u>Summary</u>: The outstanding developments of the reporting period were the recruitments of CABATONS 25 and 26, and the reactivation of CABATON 15. Eight addresses have been made available to BOB, and a number of promising prospects may well be recruited in the immediate future.</p> <p>2. <u>Action required</u>: Please see paragraph 5 below. Request confirmation of the assignment of the cryptonym CABATON 25 to the Subject of EGFA-26688 and CABATON 26 to the Subject of EGFA-26299.</p> <p>3. <u>Progress Towards Fulfilling Project Objectives</u>: We commenced the reporting period with the following agents active: CABATONS 1, 5, 7, 9, 20, 21, 22 and 24. Our ability to service requirements has been increased through the addition of CABATONS 25 and 26, and the reactivation of CABATON 15 as a low level address. In the CABATON project, we have always tried to scatter our assets in order to be able to provide addresses which are outside of the Frankfurt area. The reason for this is, of course, that Frankfurt has the reputation of being the center of ODYOKE intelligence activities in West Germany. We now have two active assets in small towns in Wuerttemberg; we are about to activate an asset in Niedernhausen/Hesse; we have prospects of acquiring a good asset in Fulda, and we are developing a possible asset in Braunschweig. It might also be appropriate to observe that some of the CABATON agents may be useful for other purposes, such as providing leads to prospects for other type of operational activity, or serving as sources of CE or positive intelligence. In this connection, we sent CABATON 21 to Berlin where he put BOB representatives in contact with co-workers of his father on the East Berlin S-Bahn, and CABATON 22 provided CE information of potential value to this Base. The potential asset in Braunschweig is connected with the railway signal department of Siemens and has already alluded to Siemens equipment contracts with the Communist Bloc.</p> <p><u>Agent Performance</u>:</p> <p>(a) <u>CABATON 1</u> (Case officer [] Alternate [])</p> <p>(1) <u>Operations being serviced by agent</u>: There has still been no traffic from [] or [] How- ever, his address was given to BOB in EGFA-25161 and [] correspondence has already begun to come in from that source.</p> <p>(2) <u>Performance</u>: There continues to be no problem here and the introduction of [] alternate case officer was accomplished with no difficulty.</p> <p>(3) <u>Finance</u>: This agent continues to get DM 100 per month.</p> <p>(4) <u>Plans</u>: If there continues to be no prospect of activity from the three operations to which this agent was originally assigned, more requirements may be levied on him.</p> <p>(5) <u>Comments</u>: No new developments. A complete system of regular and reserve communications is in operation.</p> <p>(b) <u>CABATON 5</u> (Case officer [] Alternate [])</p> <p>(1) <u>Operations being serviced by agent</u>: No change over previous report.</p>			
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(2) Performance: This agent's performance continues to be more than satisfactory.

(3) Finance: She continues to be paid DM 100 per month.

(4) Security: No security problems arose during this period.

(5) Plans: It is anticipated that this asset will continue with us for a long time. She has recently moved to a new address but this in no way interferes with her services.

(6) Commo: No new developments.

(c) CABATON 9 (Case officer -
Alternate -

(1) Operations being serviced by agent: AEHUMBUG 1, mail coming out of Land Saar.

(2) Performance: Continues to be satisfactory. The agent, although an extremely busy and prominent business and club woman, has always notified the case officer promptly of the arrival of mail. It should be added that the traffic for the AEHUMBUG operation is comparatively heavy, involving normally at least one letter every two weeks. We are very fortunate to have this agent working for us.

(3) Finance: This agent receives no compensation and expects none.

(4) Security: The agent appears to have a good native sense of security, which is being enhanced by her continuing experience with us.

(5) Plans: No change in the agent's assignment is contemplated at this time because of the nature of the operation to which she has been assigned.

(d) CABATON 15 (Case officer -
Alternate - None)

(1) Operations being serviced by agent: This agent is currently servicing HIROYAL 2 and the address was recently assigned to Headquarters operation involving mail from Varna, Bulgaria (see EGFA-26638 and EGPW-8726).

(2) Performance: One contact on 8 May 1959 was made with this agent during the period under review. As will be recalled from previous correspondence regarding this agent, it was thought for a time that we would drop him. However, BOB informed us on 12 January that his address was still held and might be used by HIROYAL 2. We were informed by BOB on 21 April (EGBA-56845) that we might expect mail from HIROYAL 2 between 1 and 15 May. On 7 May the wife of CABATON 15 called the number which CABATON 15 had been given and asked first for [redacted] and then [redacted] under their aliases. [redacted] took the call and went to CABATON 15's address. He found that CABATON 15 had received a letter from BEKISS which apparently had been smuggled from his jail cell in Poland to his wife. The wife forwarded the letter through family channels to a friend in Bonn who sent it on to CABATON 15. In other words, we now know that CABATON 15 must remain on the active list. Furthermore, both CABATON 15 and his wife were most eager to be co-operative. It was on the strength of this that an additional, very low-level assignment was levied on this address.

(3) Finance: No payment has been made to CABATON 15 during this period and he apparently expects none.

(4) Security and Planning: Quite obviously there are many security implications involved in any use of CABATON 15 because of the history of the BEKISS operation. However, we are going to continue our relationship with this agent because of the occasional usefulness of an already blown address, and because this address may also be used for correspondence from outside the Communist Bloc.

(5) Commo: One weakness in current communications with this agent is the lack of a reserve system. We plan to implement such a system at the next meeting.

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(e) CABATON 19

(Case officer
Alternate

(1) Operations being serviced by agent: None.

(2) Performance: As described in the last progress report, this agent is the keeper of a safehouse in Hannover which he procured. The safehouse is exclusively for the use of CADAISY, an FOB/CE operation. With agent's cooperation a counter-audio sweep was made on this house on 15 April. An attempt was made on 11 May to determine whether Subject might possibly be converted into a CAELI. Subject was very cooperative during the interview conducted by [] and [] but insisted that he had no technical aptitude and therefore felt he could not help us. This conversation was initiated because of Subject's original operational connection with us plus the fact that he is located in one of the JETRUH areas for which we have at present no CAELI asset.

(3) Finance: Subject is now receiving DM 100 per month as compensation. The rental of the safehouse is charged to CACHIN.

(4) Security: Agent continues to be highly security conscious and we have no reason to doubt his personal security. However, we intend to give him an LCFLUTTER before the end of July.

(5) Commo: No change.

(6) Plans: As long as Subject is involved with the CADAISY operation which is highly sensitive, he can be probably used for no other purpose. There is a slight possibility that he might provide interesting information on the Deutsche Reichspartei (DRP) activities in the Hannover area. He seems to have a special fear about the possibility of extreme right wing strength developing in the near future in West Germany.

(f) CABATON 20

(Case officer

There has been no change and no activity in regard to this agent since the last report.

(g) CABATON 21

(Case officer
Alternate

(1) Operations being serviced by agent: Since the security problem mentioned in the last progress report, no further assignment has been made of this address. However, he regularly receives mail from relatives in Saxony and Thuringia and is willing to receive mail from the East. His name has been sent to BOB for their possible use.

(2) Performance: Subject provided one outstandingly useful service during the reported period. When case officer learned that agent's father was coming out of East Berlin to settle in West Germany, agent was asked whether he would be willing to put our colleagues in Berlin in touch with the father who had long served as a conductor on the East Berlin S-Bahn. Agent flew to Berlin on 7 April, successfully persuaded his father to co-operate, and consequently provided BOB with valuable leads into the East Berlin transportation system. This agent is extremely willing, alert and smart, and feels deeply obligated to this organization.

(3) Finance: Agent continues to receive DM 100 per month.

(4) Security: Agent's personal security is extremely high and as far as we can determine he has not been blown to a hostile service as a result of the Rome walk-in episode.

(5) Commo: We continue to have a complete set of standard and reserve communications with this agent.

(6) Plans: It is conceivable that this address may still be used for a low-level operation by BOB. If not he may also be used for low-level operations involving mail from Western Germany or other parts of Western Europe.

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(h) CABATON 22 (Case officer []
 Alternate []

(1) Operations being serviced by agent: Emergency commo for RNMNIPLE.

(2) Performance: Agent is an intelligent, alert woman who seems to be enjoying an involvement in clandestine business. She is prompt for meetings and follows instructions well. During the month of May she ran across a personality whom she thought might be of CE interest and this person, possibly an MFS agent, is now being checked out by the CAECTOMY team.

(3) Finance: Agent is on regular salary of DM 100 per month.

(4) Security: Satisfactory.

(5) Commo: We now have a complete set of regular and reserve commo arrangements with this agent.

(6) Plans: We intend to keep in mind the possibility that this agent, since she has plenty of free time, may be of value for other things besides CABATON, but so far there are no definite plans in this direction. Her address may be assigned to another operation as well as RNMNIPLE. However, this will be done only after concurrence has been obtained from the RNMNIPLE case officer.

(i) CABATON 23 (Case officer []
 Alternate [none as yet] []

Status: At the moment this asset is dormant. We intend to activate her during the month of July and use her as a secondary address to which other agents in the project outside of the Frankfurt area will forward mail.

(j) CABATON 24 (Case officer []
 Alternate [] []

(1) Operations being serviced by agent: The three requirements mentioned in the previous progress report are still valid for this agent. However, in addition, CAVALLIO and CASALTY 6 have also been assigned to this address by BOB.

(2) Performance: Seems to be satisfactory although it must be admitted that not enough traffic has come through this drop to provide a definitive appraisal of its efficiency.

(3) Finance: The agent continues to receive DM 50 per month in cash and DM 50 as credit on the loan which we advanced him last fall. Crediting to his loan account the DM 200 transferred from his BOB memorandum account will speed the settlement of the outstanding loan.

(4) Security: Remains satisfactory for the same reasons mentioned in the previous report.

(5) Commo: No new developments.

(6) Plans: Due to the nature of this address which permits mailing to various names, it has a larger capacity than most and we may assign more operations to this drop.

(k) CABATON 25 (Case officer []
 Alternate [] []

(1) Operations being serviced by agent: CAQUAD (POB).

(2) Performance: This agent, who was mentioned as Identity 4 in the previous progress report, was recruited on 16 March. He appears to have entered into the relationship wholeheartedly, although he has some anxiety about becoming involved in operations which may be directed against West Germany. This factor, however, seems to be coming more and more under control. Please confirm the assignment of the cryptonym CABATON 25 to this person, as suggested in EGFA-26688.

(3) Finance: Subject receives a compensation of DM 100 per month.

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(4) Security: This agent is already highly security conscious and his natural tendency to slight anxiety can be exploited to strengthen his security.

(5) Commo: A complete system, including a reserve system, exists.

(6) Plans: It is planned to assign this agent to BOB in addition to his current assignment to CAQUAD. His plans to migrate to PEPRIME have been set back because his wife was recently operated on for cancer. Therefore, the useful life of this address may be longer than originally anticipated.

(1) CABATON 26 (Case officer [] Alternates [])

This agent was recruited on 24 April 1959. POA was granted for him in DIR 21937 on the basis of the request in FROB 3714. He appears to be very well motivated as a result of having lived under the Communist regime in East Germany for a time. Another and perhaps even more significant motivation is that the DM 50 which he will be receiving from us is a highly significant sum for him, and will permit him to improve his living situation. He has not yet been assigned to an operation. Regular and reserve commo systems are in operation. Please confirm the assignment of the cryptonym CABATON 26 to this person, as suggested in EGFA-26299.

5. Agent Prospects: Status of prospective recruits mentioned in the previous progress report:

(a) Identity 4 of EGFA-25156: This man is now CABATON 25.

(b) Identity 5 of EGFA-25156: [] has met and assessed this prospect and found her to be inappropriate as agent material. Her attitude towards Americans has been highly colored by a disappointing love affair which apparently had a strong influence on her. A recruitment attempt at this time would definitely be out of place. Therefore, operational approval proceedings should be suspended.

(c) Identity 6 of EGFA-25156: This individual is inappropriate for CABATON largely because of his pattern of movement. His responsibilities which cover most of Western Europe and West Berlin keep him constantly on the move. Therefore, operational approval proceedings on this man should likewise be dropped.

(d) Identity 7 of EGFA-25156: This individual is in poor health and subject to periodic heart attacks. We therefore wish to drop operational approval proceedings on her.

(e) Identity 8 of EGFA-25156: This man obtained employment in April with the same firm which employed CAELI 7 and CABATON 25. Therefore, the decision was made not to attempt recruitment. However, CAELI 7 is now employed in an office of the firm in another Western European country and CABATON 25 has taken a position with another firm in Frankfurt. Therefore, despite the fact that CATADPOLE 1 may become witting of this man's association with us, there is a good chance that we will attempt recruitment in late June or early July, prior to the expiration of the POA on 9 August 1959.

6. New Prospects:

(a) Subject of FROB 3910 and DIR 25983: This person is almost fully recruited at this point. Completion of recruitment proceedings will take place before the end of June.

(b) Subject of FROB 3676: [] went to visit Subject for purposes of recruitment on 21 April. They found Subject had died on 7 April. Therefore, it might be appropriate to drop operational approval proceedings unless we have in mind unusually high-level communications.

(c) Subject of FROB 4031: This man is a former member of CADROWN and appears to be a promising potential member of CABATON. However, because of his absence in Northern Germany throughout the summer, he will not be approached until September or later.

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(d) Subject of FROB 4116: This man, like the Subject of 4031, was recommended to us by CAVERDICT 1. He will be approached after we receive the POA from Headquarters to do so.

(e) Subject of EGFA-26300: We are awaiting further information from BOB on this person. When a reply to EGFA-26300 is received, we will be in a position to decide whether or not use of this person in the CABATON program is warranted.

(f) Subject of DIR 23152: This man, a U. S. citizen, has not as yet been integrated into the CABATON project. However, now that OA has been granted, we will discuss operational possibilities with him before the end of July. This man is in a position to provide us with commercial backstopping and American-type addresses. Assets of this type are sometimes needed to fulfill special requirements.

(g) Subject of EGFA-26689: This man, a U. S. citizen, has already performed useful services for [redacted]. After he has settled in the Frankfurt area, it is expected that he can be used as a CABATON asset, and perhaps assist us in other operational activities as well.

(h) Subject of FROB 4066: This person plans to work on his doctor's degree at the University of Frankfurt. He was spotted for us by CACHIN 12. We plan to approach him, without involving CACHIN 12, after the receipt of the POA.

(i) Subject of FROB 3098: This person, when first contacted, agreed to cooperate in the CABATON field. He subsequently notified us that his wife did not wish him to become involved in this particular type of activity, but he would be willing to assist us in any other way possible. He suggested that his father, who also lives in Fulda, would make a good candidate for the CABATON program. We are now requesting traces and a POA on the father. We plan to remain in contact with the Subject of FROB 3098 to assess his potential in other operational support fields.

(j) Subject of FROB 4196: This person was brought to our attention by [redacted] boarded with Subject's wife's family in Oberammergau in 1955. Preliminary contact indicates that Subject may be receptive to a proposal to serve in the CABATON project.

(k) Others: Other potential CABATON assets are in the initial stages of development. We have a fairly large pool of prospects. From these, we are weeding out the uninteresting leads and developing the interesting ones to a point where a POA can be requested and a recruitment can, hopefully, eventually be made. In this manner, we hope to be in a position to satisfy all future requirements.

7. Finance and Commitments: Expenses incurred in this project during the present project year are within the approved budget. With the acquisition of new agents, project expenses are mounting, and will continue to do so. No unusual commitments have been made during the reporting period.

8. Security: Since all agents have been recruited by staff members, and there have been no principal agent intermediaries, we believe that this project maintains a very high element of security. We will continue to operate in this manner.

9. Prospective Developments and Planning: As will be seen from paragraph 6, our progress in expanding this project is continuing at a pretty good rate of speed, and it appears as if we will continue to receive a fairly large number of leads to new agent prospects. In personal conversation with [redacted] of BOB on 27 May, we learned that although BOB has received a sufficient number of addresses from other Western European countries to satisfy their needs, they actually do not have enough West German addresses for their reserve communications program. [redacted] told us that he could use as many addresses as we could produce. However, in addition to fulfilling this essential

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<p>requirement, we must still reserve a certain percentage of CABATON assets for the exclusive use of FOB, Headquarters and other stations around the world which levy requirements upon us.</p> <p>Approved: []</p> <p>Distribution: 3 - EE 2 - COS</p> <p style="text-align: right;">32W-6-22/3</p>		
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